



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 1000
ARLINGTON, TEXAS 76011

SEP 28 1989

In Reply Refer To:
Docket: 40-8745
License: SUA-1396

Ogle Petroleum, Inc.
2510 East 15th Street, Suite 8
Casper, Wyoming 82609

Gentlemen:

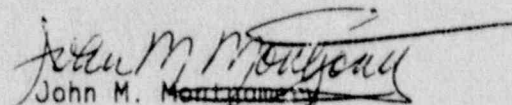
This refers to an investigation by the NRC Office of Investigations (OI) regarding activities conducted under the above noted license. A copy of the synopsis of Investigation Report 4-85-021, dated July 21, 1988, is enclosed with this letter.

As noted in the synopsis, it was determined during the investigation that you knowingly and willingly performed licensable activities contrary to Commission regulations and that certain responsible management personnel made written and verbal deceptive or false statements to the NRC staff. Since Ogle Petroleum, Inc., is no longer a licensee of the NRC, no further action on this matter is being taken by NRC at this time.

In accordance with paragraph 2.790 of the NRC "Rules and Practices," Title 10, Part 2, Code of Federal Regulations, a copy of this letter and the enclosure will be placed in the NRC Public Document Room.

We will gladly discuss any questions you may have relative to this letter or the referenced material.

Sincerely,


John M. ~~Montgomery~~
Acting Regional Administrator

Enclosure:
OI Investigation Synopsis 4-85-021

cc:
Wyoming Department of Environmental Quality

DFOZ
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PDR ADDCK 04008745
C PDC

SYNOPSIS

On August 29, 1985, the Nuclear Regulatory Commission (NRC) Region IV Regional Administrator requested that the Office of Investigations (OI) initiate an investigation concerning Ogle Petroleum, Inc., a Colorado corporation (OPICO) for possible material false statements. Allegedly, substantial corporate and financial changes were made by OPICO after the NRC issued a source material license (SUA-1396) to OPICO. Additionally, it was alleged that OPICO surreptitiously transferred their uranium assets to another company prior to the issuance of the above license, and they withheld the fact of these asset transfers from the NRC.

The above information concerning the corporate changes and asset transfers initially surfaced in July 1984 when the Wyoming Department of Environmental Quality (WDEQ), Land Quality Division, discovered that the NRC licensee, OPICO, was not operating the licensed uranium mine site at Bison Basin (BB), Wyoming. It was disclosed that OPICO was not operating the site and that the then current site operator was Ogle Petroleum Inc. of California (OPICA), a non-licensed company. This information was confirmed during a joint meeting held on June 13, 1985, with NRC, WDEQ, and OPICA representatives in attendance.

During this June 13, 1985, meeting, OPICA officials disclosed that the original licensee, OPICO, transferred its BB uranium interest in July 1980 to Ogle Resources, Inc. (ORI) and that ORI subsequently transferred these assets to Ogle Petroleum, Inc., a Delaware corporation (OPIDE). Subsequently, OPICO was dissolved. Both ORI and OPICA had the same officers and directors as OPICO. OPIDE was a wholly-owned subsidiary of ORI. In March 1981, ORI incorporated an independent corporation called Ogle Petroleum Inc. of California and OPIDE transferred the BB uranium interests to OPICA. Although an unaffiliated company, OPICA had many of the same stockholders as ORI. The representatives of OPICA confirmed that they had conducted mining operations at BB. They stated that the BB mining site operations were the result of a joint venture between OPICO/OPICA and Western Fuels, Inc. (WFI), a subsidiary of Duke Power Company (Duke).

OI investigation concluded the following:

1. OPICA, its officers and directors, knowingly and willfully engaged in uranium mining operations at BB without the required NRC license.
2. The officers and directors of ORI, OPIDE, and OPICA knowingly and willfully conspired to deceive the NRC by deliberately failing to notify the NRC that OPICO ceased to exist prior to the NRC's issuance of Source Material License SUA-1396 and that OPICA operated the mine site.
3. An officer of OPICA made deliberately deceptive verbal and written presentations to the NRC concerning the true operator of BB.
4. Two officers of OPICA knowingly and willfully made false statements during each of their initial OI interviews.
5. An officer of OPICA knowingly and willfully signed a 1982 NRC inspection report which reflected OPICA as the mine site operator.

6. WFI, and its officers failed to notify the NRC that OPICO, the licensee, ceased to be the mine site operator or that OPICA conducted uranium mining operations without an NRC source material license.
7. The officers of OPICA, ORI, and OPIDE, by knowingly and willfully not notifying the NRC of the uranium asset transfers, caused the NRC to expend in excess of \$162,000 to process a license for the defunct licensee, OPICO.

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In accordance with paragraph 2.790 of the NRC "Rules and Practices," Title 10, Part 2, Code of Federal Regulations, a copy of this letter and the enclosure will be placed in the NRC Public Document Room.

We will gladly discuss any questions you may have relative to this letter or the referenced material.

Sincerely **ORIGINAL SIGNED BY**
J.M. MONTGOMERY

John M. Montgomery
Acting Regional Administrator

Enclosure:
OI Investigation Synopsis 4-85-021

cc:
Wyoming Department of Environmental Quality

*D:URFO	*D:DRSS	*RC	*D:OI	*D:LLWMD	*EO	RDM
REHall:db	ABBeach	WLBrown	DDriskill	RBangart	GFSanborn	RDMartin
/ /89	/ /89	/ /89	/ /89	/ /89	/ /89	9/28/89

*Previously concurred

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As noted in the synopsis, it was determined during the investigation that you knowingly and willingly performed licensable activities contrary to Commission regulations and that certain responsible management personnel made written and verbal deceptive or false statements to the NRC staff.

As a result of the findings of this investigation, we have determined that those management personnel of your organization who were previously involved in this licensed activity do not possess the requisite veracity that we may rely upon their statements or actions to perform NRC licensed activities in the future. Since you do not currently possess an NRC license, no further action is required on your part; however, this does not preclude our taking further actions as a result of this or future investigative activities.

In accordance with paragraph 2.790 of the NRC "Rules and Practices," Title 10, Part 2, Code of Federal Regulations, a copy of this letter and the enclosure will be placed in the NRC Public Document Room.

We will gladly discuss any questions you may have relative to this letter or the referenced material. You should be aware that issuance of this letter does not preclude our taking further actions as a result of this or other investigative activities.

Sincerely,

Robert D. Martin
Regional Administrator

Enclosure:
OI Investigation Synopsis 4-85-021

<i>URFO</i> *D:URFO	<i>DRSS</i> D:DRSS	<i>WFB</i> *RC WFB	<i>DI</i> *D:DI	<i>LWMS</i> D:LWMS	<i>EO</i> EO	<i>RA</i> RA
REHall:db	ABBeach	WLBrown	DDriskill	RBangart	GFSanborn	RDMartin
9/21/89	9/21/89	9/21/89	7/21/89	9/21/89	9/21/89	1/89

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As a result of the findings of this investigation, we have determined that those management personnel of your organization who were previously involved in this licensed activity do not possess the requisite veracity that we may rely upon their statements or actions to perform NRC licensed activities in the future. If any of these individuals remain in your direct employ we will require that any future submissions by them regarding activities conducted under any NRC license be filed under oath or affirmation of a responsible corporate official of that licensee.

In accordance with paragraph 2.790 of the NRC "Rules and Practices," Title 10, Part 2, Code of Federal Regulations, a copy of this letter and the enclosure will be placed in the NRC Public Document Room.

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Robert D. Martin
Regional Administrator

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OI Investigation Synopsis 4-85-021

[Handwritten initials]
D:JRFO

REHall:db
9/21/89

D:DRSS

ABBeach
/ /89

RC

WLBrown
4/21/89

D:OI

DDriskill
4/21/89

D:LLWMD

RBangart
/ /89

EO

GFSanborn
/ /89

RA

RDMartin
/ /89

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bcc:

R. Bernero, NMSS

R. L. Bangart, NMSS

A. B. Beach, RIV

R. E. Hall, URFO

Docket File (40-8745)

PDR/DCS

RCPD, WY

LLO Branch, LLWM

URFO Reading

G. Sanborn, RIV

J. Lieberman, OE